

342.615 Registration of employee leasing companies -- Coverage requirements for lessees -- Status of temporary help service.

- (1) As used in this section:
 - (a) "Employee leasing company" or "lessor" means an entity that grants a written lease to a lessee pursuant to an employee leasing arrangement.
 - (b) "Lessee" means an employer that obtains all or part of its workforce from another entity through an employee leasing arrangement.
 - (c) "Leased employee" means a person performing services for a lessee under an employee leasing arrangement.
 - (d) "Employee leasing arrangement" means an arrangement under contract or otherwise whereby the lessee leases all or some of its workers from an employee leasing company. Employee leasing arrangements include, but are not limited to, full-service employee leasing arrangements, long-term temporary arrangements, and any other arrangement which involves the allocation of employment responsibilities among two (2) or more entities. For purposes of this section, "employee leasing arrangement" does not include arrangements to provide temporary workers.
 - (e) "Temporary worker" means a worker who is furnished to an entity to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions for a finite period of time.
 - (f) "Temporary help service" means a service whereby an organization hires its own employees and assigns those employees to clients for finite periods of time to support or supplement the client's workforce in special work situations, including employee absences, temporary skill shortages, and seasonal workloads.
- (2) A corporation, partnership, sole proprietorship, or other business entity which acts as an employee leasing company shall register with the executive director in the manner as prescribed by administrative regulations.
- (3) Any lessor of employees whose workers' compensation insurance has been terminated within the past five (5) years in any jurisdiction due to a determination that an employee leasing arrangement was being utilized to avoid premiums, taxes, or assessments otherwise payable by lessees shall be ineligible to register with the executive director or to remain registered, if previously registered.
- (4) A lessee shall fulfill its statutory responsibility to secure benefits for leased employees under this chapter by purchasing and maintaining a standard workers' compensation policy approved by the executive director of the Office of Insurance. A lessee may fulfill that responsibility by contracting with an employee leasing company to purchase and maintain the required insurance policy. In either event, it shall be the responsibility of the lessee to maintain in its files at all times the certificate of insurance, or a copy thereof, evidencing the existence of the required insurance. The exposure and experience of the lessee shall be used in determining the premium for the policy and shall include coverage for all leased employees.

- (5) A temporary help service shall be deemed the employer of a temporary worker and shall be subject to the provisions of this chapter.

Effective: December 12, 1996

History: Created 1996 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 36, effective December 12, 1996.

Legislative Research Commission Note (12/12/96). In codifying this statute, the phrase "employer leasing company" defined in subsection (1)(a) of the statute has been changed to read "employee leasing company" as being a manifest clerical or typographical error under KRS 7.136(1)(h). It is clear both from the terms of this definition itself as well as from the fact that "employee leasing company," not "employer leasing company," is used within this range of statutes that the word "employer" should be "employee" in this phrase.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.